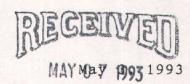
USMX





DIVISION OF OIL GAS & MINING

John Schijf, Conservation Officer
Utah State Department of Natural Resources
Division of Wildlife Resources
P.O. Box 2394
St. George, Utah 84771

Reference: Wildlife Impact Summary - April 1993

Dear Mr. Schijf:

We have no wildlife mortality to report during the month of April.

We did, however, have leach solution dripping from leak detection pipe #18 of leach pad #1 during the period of April 8 thru 10, 1993. The leakage was observed soon after a new area was placed under leach and stopped soon after the system was shut down. We have narrowed the area of concern to a specific portion of the leach pad and will soon begin tests, with the Division of Water Quality's (DWQ) approval, to pinpoint the location and take corrective action.

DWQ was notified by telephone within two (2) hours of the discovery of the leakage. Enclosed is a copy of a follow up report to them. I am not enclosing the maps mentioned in the report.

If you have any questions, or if you wish a copy of the maps, please do not hesitate to call me.

Sincerely,

U S M X of Utah, Inc.

Robert K. Wilson

Environmental Coordinator

RKW: bas

cc: B. Bonebrake - DWR

P. Carter, BLM

L. Gore, BLM USMX of Utah, Inc.

W. Hedberg, UDOGM. Box 2650, St. George, Utah 84770 (801) 574-3164 FAX (801) 574-3269 NASDAQ Symbol - USMX

April 12, 1993

Mr. Don Ostler, Director
Utah Bureau of Water Pollution Control
Dept of Environmental Quality
288 North 1460 West
P.O. box 16690
Salt Lake city, UT 84116-0690

Reference: Report of Detection of Solutions from Leach Pad #1 Leak Detection System

Dear Mr. Ostler:

A small amount (400 ml/min) of solution was noticed flowing from leak detector pipe #18 of leach pad #1 extension at the USMX Goldstrike Mine on April 8, 1993.

Notification by telephone was made to Lyle Stott of DWQ at approximately 10:00 am of the same day. The following day, DWQ approximately 10:00 am of the same day. The following day, DWQ was updated by phone to Mr. Bhayani followed with a hand written was updated by phone to Mr. Bhayani followed with a hand written fax. A transcript of which is attached. Also, this morning Lyle fax. A transcript of which is attached. Also, the leakage had stott was further informed by telephone that the leakage had completely stopped.

A brief summary of the recent history of pad #1 is as follows:

During the Spring of 1991, the east end of pad #1 was taken out of service by the construction of a temporary emergency storage pond on top of the loaded ore.

This pond stayed in place until late Summer of 1992. Leaching was not performed on the area in question until March 2, 1993 at which time a drip system was started on the top of the ore heap. On April 5, 1993 sprinklers were top of the ore heap of the ore heap and solution installed on the side slopes of the ore heap and solution application began at a rate of approximately .0035 gpm/sq ft.

detection pipe #18 about 8:00 am Thursday April 8, 1993. Flows were measured at approximately 400 ml/minute. At 9:30 am the sprinklers on the side slopes were shut off. Test results on solution recovered showed pH 6.8, gold .022 opt, cyanide 2.5 ppm. After these results were received, Lyle was notified by phone at approximately 10:00 Friday morning April 9, 1993, the flow from the detection pipe had slowed to a drip about every second, estimated at \pm 5 ml/minute. This morning the flow has completely stopped. Enclosed are: Maps showing leak detection pipe layout and cells in the area of the leak. A map showing current ore loading and areas placed under leach March 2 and April 5, 1993 2. and finished pad surface of the portion of pad #1 affected. We feel that we have the area of leakage narrowed to a small portion of the pad perimeter. We propose to be allowed to add fresh water to the side slope area in question, a small area at a time, to further narrow down the location of the source of water in the detection system. As per phone conversation today with Lyle, we will be waiting for approval to use fresh water rinse to locate the leaking area. Please contact us with any questions or concerns that you may have. Sincerely, USMX OF UTAH, INC. off KwiL Robert K. Wilson Environmental Coordinator Enclosure: K. Bhayani L. Stott USMX P. Valenti J. Smith

MR. DON OSTLER, DIRECTOR

DETECTION OF SOLUTIONS

DATE: 04/12/93

PAGE TWO

A trickle of water started coming out of pad #1 leak